

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

STATION AND BRANCH OPTIMIZATION AND
CONSOLIDATION INITIATIVE, 2009

Docket No. N2009-1

NOTICE OF UNITED STATES POSTAL SERVICE
OF FILING OF LIBRARY REFERENCE AND
APPLICATION FOR NON-PUBLIC STATUS
(September 25, 2009)

In accordance with Rule 31(b)(2), the United States Postal Service hereby provides notice that today it is filing the following Category 4 Library Reference in response to interrogatory APWU/USPS-DR2.

USPS LR N2009-1/14 FY 2005 Station and Branch Discontinuance Decision Packages

Three stations and one branch were closed in FY 2005: Statehouse Station in Topeka, KS; Charleston Naval Base in Charleston, SC; Watsessing in Bloomfield, NJ, and Station A in East Liverpool, OH.

The Library Reference includes the final agency decisions and supporting documents for the discontinuance of the Charleston Naval Base facility in Charleston, SC, and Station A in East Liverpool, OH. The final agency decision for the Statehouse Station in Topeka KS is included, but no supporting documents have been located. No records relating to the discontinuance of the Watsessing facility in Bloomfield, NJ have been located.

In accordance with 39 C.F.R. § 3007.21 and for the reasons expressed in the Attachment to this notice, the Postal Service is applying for non-public status for some

of the data contained in this Library Reference. Accordingly, public and non-public versions of the Library Reference are being filed.

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Respectfully submitted,

UNITED STATES POSTAL SERVICE

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ATTACHMENT 1

APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NON-PUBLIC TREATMENT OF MATERIALS

In accordance with 39 C.F.R. § 3007.21 and Order No. 225,¹ the United States Postal Service (Postal Service) hereby applies for non-public treatment of certain materials filed with the Postal Regulatory Commission (Commission) in this docket. In particular, the Postal Service requests that customer identifying information, facility finance numbers, product-specific financial information, and utility account numbers associated with the station and branch discontinuance decision packages for FY 2005-FY 2008, as compelled by the Commission in Presiding Officer's Ruling No. N2009-1/4² be kept confidential. Non-public versions of these will be filed under seal In accordance with 39 C.F.R. § 3007.10(a), while redacted copies will be filed in accordance with 39 C.F.R. § 3001.9. The Postal Service hereby furnishes the justification required for this application by 39 C.F.R. § 3007.21(c), below.

(1) The rationale for claiming that the materials are non-public, including the specific statutory basis for the claim, and a statement justifying application of the provision(s);

Customer identifying information, such as names and addresses, is exempt from mandatory disclosure pursuant to 39 U.S.C. § 412(a) and 5 U.S.C. §§ 552(b)(3). 39 U.S.C. § 412(a) specifically states that “[e]xcept as specifically provided by subsection (b) or other law, no...employee of the Postal Service shall make available to the public...any...list of names or addresses (past or present) of postal patrons or other persons”. Persons who complete questionnaires or comment forms in connection with a

¹ PRC Order No. 225, Final Rules Establishing Appropriate Confidentiality Procedures, Docket No. RM2008-1, June 19, 2009.

² Presiding Officer's Ruling Concerning Motion to Compel Responses to APWU/USPS-T2-3(a-c), T2-8 and APWU/USPS-DR-1 Through DR-3, September 15, 2009.

station or branch discontinuance survey often record their names, addresses, phone numbers and other personal information on the forms they submit to the Postal Service. At the time, they are given no indication by the Postal Service that such information will become part of a public record. Accordingly, it is reasonable to conclude that they have a high expectation of privacy regarding such information.

A finance number is an assigned six-digit or 10-digit number that identifies a postal installation for processing its financial data.³ In a way, it is akin to a social security number, in that if one knows the finance number for a facility, one could determine a wealth of financial data associated with that facility. Such information is information of a commercial nature, which under good business practice would not be publicly disclosed. It is also information that if, released, could compromise security, which is why the Postal Service controls the internal release of finance numbers. In the Postal Service's opinion, this information would be exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. §§ 552(b)(2,-3)⁴

Finance numbers are related solely to the internal rules and practices of the Postal Service, and are internal matters of a relatively limited value outside the Postal Service. On its own, the finance number of a facility does not reveal anything of significance to the public, but it constitutes a key that permits coordination of various

³ U.S. Postal Service, Publication 32, Glossary of Postal Terms (2007).

⁴ In appropriate circumstances, the Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). The Commission has indicated that "likely commercial injury" should be construed broadly to encompass other types of injury, such as harms to privacy, deliberative process, or law enforcement interests. PRC Order No. 194, Second Notice of Proposed Rulemaking to Establish a Procedure for According Appropriate Confidentiality, Docket No. RM2008-1, Mar. 20, 2009, at 11.

internal accounting systems. In the Postal Service's opinion, this information would be exempt from mandatory disclosure pursuant to 5 U.S.C. § 552(b)(2)(a).

Because the Postal Service seeks to protect information that is not required to be publicly disclosed, the Postal Service asks the Commission to support its determination that these materials are exempt from public disclosure by granting its application for non-public treatment for finance numbers. The Commission has routinely recognized the sensitive nature of finance numbers in the past.

Product-specific financial information is of a commercial nature which under good business practice would not be publicly disclosed. In the Postal Service's opinion, this information would be exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. § 552(b)(3). The Commission has also routinely recognized the sensitive nature of product-specific financial information in the past.

The utility account numbers would be exempt under 5 U.S.C. § 552(b)(2), as they are internal matters of no value to the public at large. Additionally, if released, there is the possibility that, if the account numbers are still active, they could be used for nefarious purposes.

(2) Identification, including name, phone number, and email address for any third-party who is known to have a proprietary interest in the materials, or if such an identification is sensitive, contact information for a Postal Service employee who shall provide notice to that third party;

No third parties have a proprietary interest in the materials.

(3) A description of the materials claimed to be non-public in a manner that, without revealing the materials at issue, would allow a person to thoroughly evaluate the basis for the claim that they are non-public;

The customer-identifying information are the names, addresses, and phone numbers of postal patrons, and may include other personally identifying information. A

finance number is an assigned six-digit or 10-digit number that identifies a postal installation for processing its financial data.⁵ Product-specific financial information includes analyses of the amount of revenue received, by product, by that facility. Utility account numbers are the numbers assigned to the facility by utility companies, such as a telephone company.

(4) Particular identification of the nature and extent of commercial harm alleged and the likelihood of such harm;

When postal patrons provide personally identifying information to the Postal Service, they do so with a high degree of expectation that the information will remain private unless explicitly told otherwise. Often, their completion of questionnaires and comment forms is conditioned upon this expectation. When such an expectations exist and are violated, the Postal Service faces the risk that patrons expecting such privacy will decline to complete questionnaires or provide comments, depriving the Postal Service of such intelligence as the public input process may provide. Worse yet, customers may react to such a breach of privacy by choosing to rely less on the Postal Service for the transmission of mailable matter, which would diminish mail volume and have adverse economic consequences for the Postal Service.

If product-specific financial information is released publicly, the Postal Service considers it quite likely that it would suffer commercial harm. An analysis of the amount of a particular product purchased by customers in a particular area would give postal competitors valuable information they could use to tailor their own business strategies.

⁵ U.S. Postal Service, Publication 32, Glossary of Postal Terms (2007).

This is why it has long been the practice of the Postal Service to avoid publicly filing product-specific financial information.

It has long been the practice of the Postal Service to avoid publicly filing its finance numbers. In fact, when the Postal Service has been required to file information that would allow for the comparative analysis of facilities, the Postal Service has gone to great length and expense to replace finance numbers with dummy numbers, in order to protect the financial data of its facilities.

As stated before, a finance number is an assigned six-digit or 10-digit number which identifies a postal installation for processing its financial data. If someone were to come across such a document where facilities are identified purely by finance number, in and of itself that may not cause much harm. However, if that someone was a competitor who was also provided a key that identified the facility name and address associated with each finance number, that person could potentially have access to a wealth of financial data associated with respective facilities. Such information could, for example, be used to ascertain the best locations to establish competing businesses, perhaps plan theft of materials being transported by the Postal Service, or target the business of Postal Service customers.

(5) At least one specific hypothetical, illustrative example of each alleged harm;

Identified harm: Revealing names, addresses, phone numbers or other personal information provided by customers could cause commercial harm to the Postal Service.

Hypothetical: Such information is revealed to the public. Offended customers decline to provide similar information in response to similar future solicitations for public input. Or they react by choosing competitors' services and relying on alternate media for the transmission of mailable matter. By not meeting customer's privacy expectations, the Postal Service would lose volume and revenue and face a greater risk of making decisions that are less informed by customer concerns, to its economic detriment.

Identified harm: Revealing finance numbers and product-specific financial information could cause commercial harm to the Postal Service.

Hypothetical: The product-specific analysis in this study is revealed to the public. The analysis reveals that a large number of money orders are routinely processed by the facility. A competitor in the money-order business comes across this information, and thus decides to open money-order facilities in the vicinity.

Hypothetical: The facility finance numbers in both lists are revealed to the public, beside the name and physical location of each facility. A competing expedited delivery service comes across an internal Postal Service document that lists large Express Mail customers according to the office of entry, each of which is identified by finance number. The release of the station and branch finance numbers matches a number on the list, telling the competitor where to target its marketing efforts. By using the lists filed in this docket, the competitor is able to identify some of the retail locations that take

in large amounts of Express Mail. Consequently, the competitor decides to focus expedited delivery business in those locations.

Identified harm: Revealing finance numbers could cause commercial harm to the Postal Service.

Hypothetical: The facility finance numbers in both lists are revealed to the public, beside the name and physical location of each facility. A member of the public comes across a document that reveals the volume of Registered Mail processed by each facility, by finance number. By using the lists filed in this docket, he is able to determine that a large volume of Registered Mail is taken in at a retail location nearby, therefore attempts to rob that retail location.

(6) The extent of protection from public disclosure deemed to be necessary;

The Postal Service maintains that the redacted portions of the materials filed non-publicly should be withheld from all persons except those members of the Commission who need to see this information for purposes of this docket.

(7) The length of time deemed necessary for the non-public materials to be protected from public disclosure with justification thereof; and

The Postal Service believes that all of the redacted information should be protected permanently and asks the Commission to extend the duration of non-public status of that information indefinitely. The Postal Service is prohibited from making public lists of names or addresses of postal patrons except as specified by special circumstances (not applicable here), or by other law. As discussed above, finance

numbers are akin to social security numbers disclosure of customer-identifying information leaves the Postal Service vulnerable to competitive “cherry-picking.” Revealing product-specific information publicly could also potentially cause great competitive harm to the Postal Service, in the same way. Finally, the account numbers should remain protected in the event those numbers are re-used. Therefore, the Postal Service seeks indefinite non-public treatment of the redacted information in the non-public materials.

(8) Any other factors or reasons relevant to support the application.

None.

Conclusion

For the reasons discussed, the Postal Service asks that the Commission grant its application for non-public treatment of the finance numbers for the facilities in both lists. The Postal Service further requests that the Commission order that the duration of such treatment be extended indefinitely.